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and Certain of Its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11**
: :
LEHMAN BROTHERS HOLDINGS INC., et al. : **Case No. 08-13555 (SCC)**
: :
Debtors. : **(Jointly Administered)**
: :
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**PLAN ADMINISTRATOR'S STATEMENT IN RESPECT OF THE MOTION
TO DESIGNATE DIAZ REUS & TARG, LLP AS AGENT FOR RECEIPT OF
DISTRIBUTIONS AND HONOR CHANGE OF ADDRESS FOR PURPOSES OF THE
FIFTH DISTRIBUTION DATE AND ALL FUTURE DISTRIBUTIONS**

TO THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. (“LBHI” or the “Plan Administrator”), as Plan Administrator for LBHI under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the “Plan”),¹ submits this statement in respect of the motion filed by Diaz Reus & Targ, LLP (“DRT”), purportedly on behalf of Credican, C.A. (“Credican”), dated March 13, 2014 [ECF No. 43537] (the “Motion”), and respectfully represents as follows:

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

BACKGROUND

A. Case Background

1. On September 15, 2008, LBHI commenced a voluntary case in this Court under chapter 11 of title 11 of the United States Code. On December 6, 2011, the Court entered an order confirming the Plan [ECF No. 23023]. The Plan became effective on March 6, 2012.

2. On July 18, 2012, the Court entered an order authorizing the Plan Administrator to, among other things, settle certain claims where the allowed amount of the settled claim is less than or equal to \$200 million without further approval of the Court (the “Settlement Procedures Order”) [ECF No. 29505].

3. In accordance with sections 1.48 and 8.3 of the Plan and the *Order in Aid of Execution of The Modified Third Amended Chapter 11 Plan of Lehman Brothers Holdings Inc. And Its Affiliated Debtors*, dated January 31, 2013 [ECF No. 34348], the fifth Distribution Date is currently scheduled for April 3, 2014 (the “Fifth Distribution”).

B. The Claims Held By Credican

i. Claim No. 64729

4. On November 5, 2009, Banco Canarias de Venezuela, Banco Universal, C.A. (“Banco Canarias”) filed proof of claim number 64729 against LBHI (“Claim No. 64729”), asserting an unsecured claim in the amount of \$9,499,693.09 based on LBHI’s alleged guarantee of the purported obligations of Lehman Brothers International (Europe) (“LBIE”) arising from a derivatives contract allegedly entered into between LBIE and Banco Canarias. On June 1, 2012, Credican filed a notice that Claim No. 64729 had been transferred in its entirety from Banco Canarias to Credican [ECF No. 28392]. Claim No. 64729 is a Disputed Claim.

ii. Claim No. 62722

5. On November 2, 2009, Banco Canarias filed proof of claim number 62722 against LBHI (“Claim No. 62722”), asserting an unsecured claim in the amount of \$8,063,217.78 based on LBHI’s guarantee of a structured note issued by Lehman Brothers Treasury Co. B.V. and held by Banco Canarias. In accordance with the *Order Pursuant to Section 105(a) and 502(b) of the Bankruptcy Code and Bankruptcy Rule 9019 Approving Procedures for the Determination of the Allowed Amount of Claims Filed Based on Structured Securities Issued or Guaranteed by Lehman Brothers Holdings Inc.* [ECF No. 19120] (the “Structured Securities Valuation Procedures Order”), LBHI (i) determined a proposed allowed claim amount of \$7,999,762.50 for Claim No. 62722 by applying the Structured Securities Valuation Methodology (as such term is defined in the Structured Securities Valuation Procedures Order), and (ii) sent a notice of the proposed allowed claim amount for Claim No. 62722 to Banco Canarias.

6. In accordance with the Structured Securities Valuation Procedures Order, Claim No. 62722 was Allowed in the amount of \$7,999,762.50 because Banco Canarias failed to submit to LBHI a response to the notice of proposed allowed claim amount. Thereafter, on June 1, 2012, Credican filed a notice that Claim No. 62722 had been transferred in its entirety from Banco Canarias to Credican [ECF No. 28390].

iii. Claim No. 62726

7. On November 2, 2009, Credican filed proof of claim number 62726 against LBHI (“Claim No. 62726”), asserting an unsecured claim in an amount of \$392,500,000.00 based on LBHI’s guarantee of two structured notes issued by Lehman Brothers Treasury Co. B.V. and held by Credican. In accordance with the Structured Securities Valuation

Procedures Order, LBHI (i) determined a proposed allowed claim amount of \$13,360,702.99 for Claim No. 62726 by applying the Structured Securities Valuation Methodology, and (ii) sent a notice of the proposed allowed claim amount for Claim No. 62726 to Credican. In accordance with the Structured Securities Valuation Procedures Order, Credican disputed the proposed allowed claim amount for Claim No. 62726 by submitting a response to LBHI (the “Response”).

8. Beginning in December 2012, the Plan Administrator engaged in settlement negotiations with the Administrators of Credican appointed by the *Superintendencia de las Instituciones del Sector Bancario* (Sudeban) as well as Credican’s attorneys at the time, Alcantar Law PLLC, to resolve the Response. In accordance with the Settlement Procedures Order, on June 5, 2013, the Plan Administrator and Credican entered into a settlement agreement pursuant to which Claim No. 62726 was Allowed against LBHI in the amount of \$64,395,134.08.

C. The Motion and Related Documents

9. On March 3, 2014, DRT filed a notice of appearance on behalf of Credican, Banco Canarias, and Fondo de Garantia de Depositos y Proteccion Bancaria [ECF No. 43380].

10. The Motion seeks entry of an order (1) recognizing DRT as attorneys and agent for Credican and (2) directing that any future distributions due to Credican on account of its claims be payable to the Diaz Reus & Targ, LLP Trust Account.

STATEMENT

11. The Plan Administrator takes no position as to whether Alcantar Law or DRT should henceforth be recognized as Credican’s attorneys and agent. Further, the Plan Administrator takes no position as to the proper payee of any future Distributions owed to

Credican on account of Claim No. 62722 and Claim No. 62726 – *i.e.*, Credican’s Allowed Claims. Further, the Plan Administrator takes no position as to the proper payee of any future Distributions that may be owed to Credican on account of Claim No. 64729 to the extent such claim becomes an Allowed Claim.²

12. As a result of the filing of the Motion and the attendant uncertainty concerning the proper payee of Credican’s claims, until such time as the Motion is resolved, the Plan Administrator intends to: (i) withhold any future Distributions owed on account of Claim No. 62722 and Claim No. 62726, including in respect of the Fifth Distribution; (ii) withhold any future Distributions that may be owed on account of Claim No. 64729 to the extent that such claim becomes an Allowed Claim; and (iii) maintain a reserve for Claim No. 62722 and Claim No. 62726 – and Claim No. 64729 to the extent such claim becomes an Allowed Claim – equal to the amount of Distributions that would have been made on account of such claims but for the foregoing withholdings.

Dated: March 20, 2014
Houston, Texas

/s/ Alfredo R. Pérez
Alfredo R. Pérez

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² Claim No. 64729 is a Disputed Claim and the Plan Administrator reserves all its rights to object to Claim No. 64729 on any basis.